

Earning Customer Trust in the Online Marketplace

Results of the 2007 Most Trusted Companies for Privacy

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Agenda

- About the 2007 Most Trusted Company Survey
- How can Websites Earn Trust?

Introduction

- *Are certain companies and brands more trusted than others to protect consumers' privacy?*
- *Do consumers believe there are companies that are more trustworthy than others to have processes in place to safeguard the personal information they collect, use and share about them?*
- We asked respondents from the U.S. to list up to five companies in various industry sectors that they trusted for honoring their privacy and data protection commitments.
- According to their responses, we compiled a list of the **most trusted** companies for privacy. The aggregated list of most trusted companies in our analysis contained over 200 company names, compiled from over 30,000 individuated company ratings.

Survey

- Participants were asked to apply the following definitions when determining the companies they trusted most for privacy:
 - Personal information – Data about yourself and your family. This information includes name, address, telephone numbers, email address, Social Security number, other personal identification numbers, access codes, age, gender, income and tax information, shopping information, account activity and many other pieces of data about you.
 - Privacy trust– Your belief that the company is honoring its privacy commitments to you, and keeping your personal information safe and secure. This includes its commitment not to share your personal information unless there is a just cause or you have given your consent.

Procedure

- Companies with 20 or more positive ratings were included in the analysis. A total of 552 companies were named and 205 made this year's most trusted list.
- A combined rating system composed of three rank procedures was used to determine the overall rank of a given company.
 - Rank 1: The rank order of a given company based on the net of all positive minus negative responses.
 - Rank 2: The rank order of a given company based on the percentage of first place ratings.
 - Rank 3: The rank order of a given company based on the ratio of positive to negative ratings.

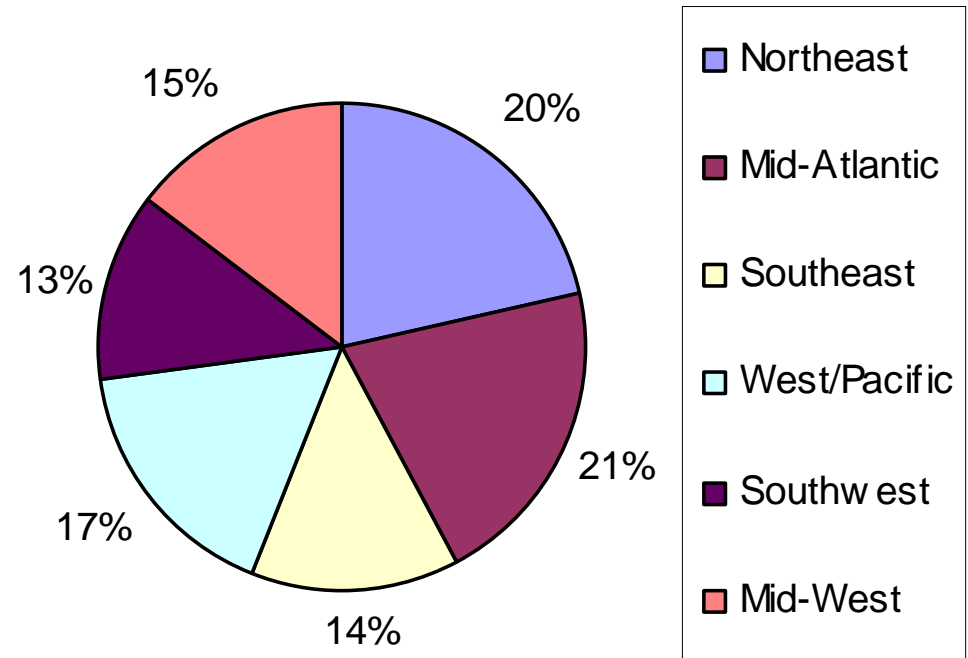
Sample Response

Sample Characteristics	Total	Pct %
Sample frame size	52,635	100.0%
Total responses	7223	13.7%
Total rejections	154	-0.3%
Net responses	7,069	13.4%
Total positive & negative ratings	30,538	
Average number of ratings per subject	4.32	
Average number of positive ratings	2.23	
Average number of negative ratings	2.09	
Number of companies with ≥ 20 positive ratings	205	

Response by U.S. Region

Northeast	1,503	21%
Mid-Atlantic	1,480	21%
Southeast	978	14%
West/Pacific	1,178	17%
Southwest	885	13%
Mid-West	1,045	15%
Total	7,069	100%

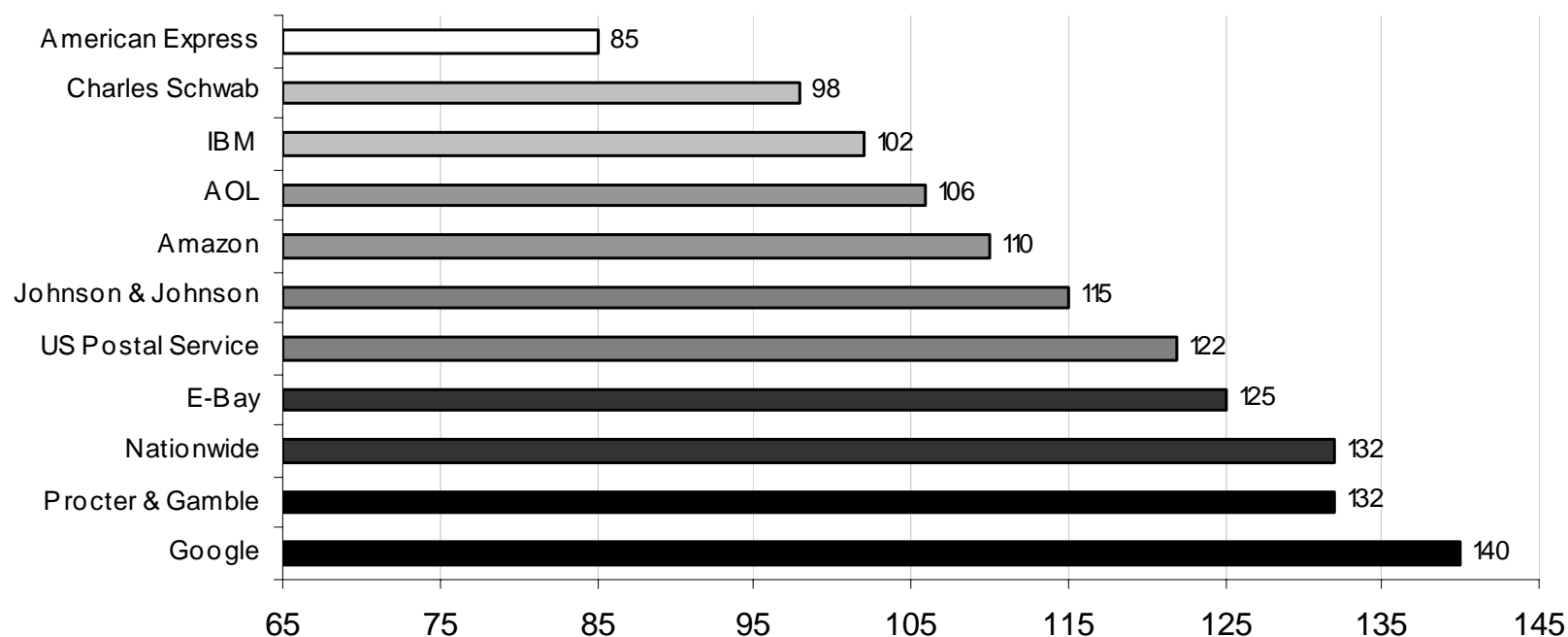
Pie Chart 1: Geographic distribution of the sample



Top 10: Most Trusted

The following Bar Chart shows the top 10 most trusted companies of 552 separate companies identified in national sample. Note that the bar reflects the combined rank for each one of the listed organizations. In theory, the best possible score is three (sum of all three ranking methods = 1+1+1). The worst possible score is 1,656.

Bar Chart 1: 2007 most trusted companies for privacy



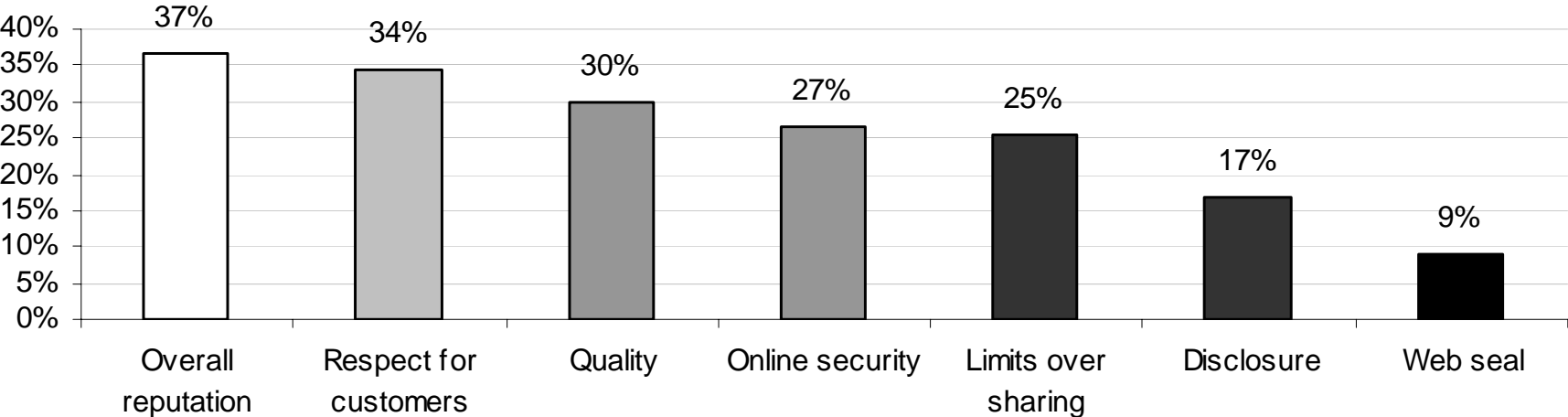
2007 Ranking	Industry	Top ranked company within industry group	Group size
1	Health care	WebMD	9
2	Consumer products	Johnson & Johnson	7
3	Package & delivery	US Postal Service	4
4	Banking	US Bank	11
5	Brokerage	Charles Schwab	7
7	Web retail	Amazon	14
8	Technology & software	IBM	18
9	Pharmaceuticals	Merck/Pfizer (tied)	11
10	Other financial services	ELoan	14
10	Retail	Hallmark	29
11	Entertainment	Disney	5
11	Auto & transportation	Harley Davidson	9
12	Insurance	Nationwide	9
12	ISP & cable	AOL	5
12	Credit card	American Express	5
13	Non-profit	American Red Cross	9
13	Hospitality	Starwood Hotels & Resorts	6
14	Health & beauty	Weight Watchers	7
14	Conglomerate	General Electric	7
18	Telecom	AT&T	5
20	Toy	Mattel	3
21	Food service	MacDonald's	6
23	Airlines	Southwest	5

The Table shows the most trusted companies by industry group compiled from 205 rated organizations.

Note that each column provides the average rank, min and max within each group.

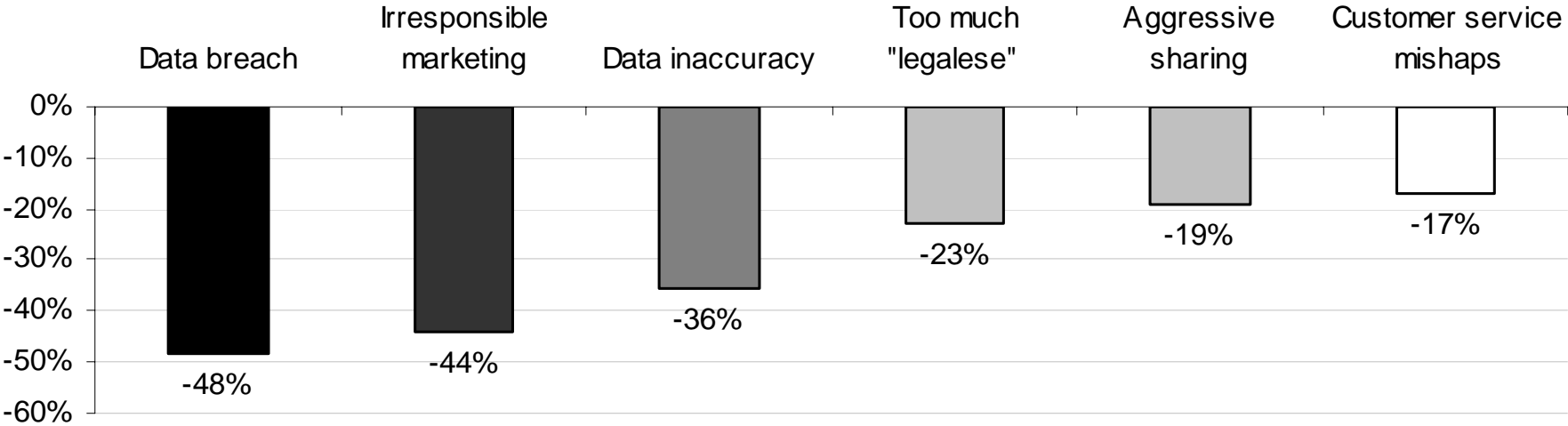
Privacy Trust Builders

Bar Chart 3: Factors Mostly Likely to Increase Privacy Trust Scores



Privacy Trust Eroders

Bar Chart 4: Factors Mostly Likely to Decrease Privacy Trust Scores



Bar Chart 2: Percentage Difference between 12 Data Breach Companies and Sample Average Ranks in 2006 and 2007

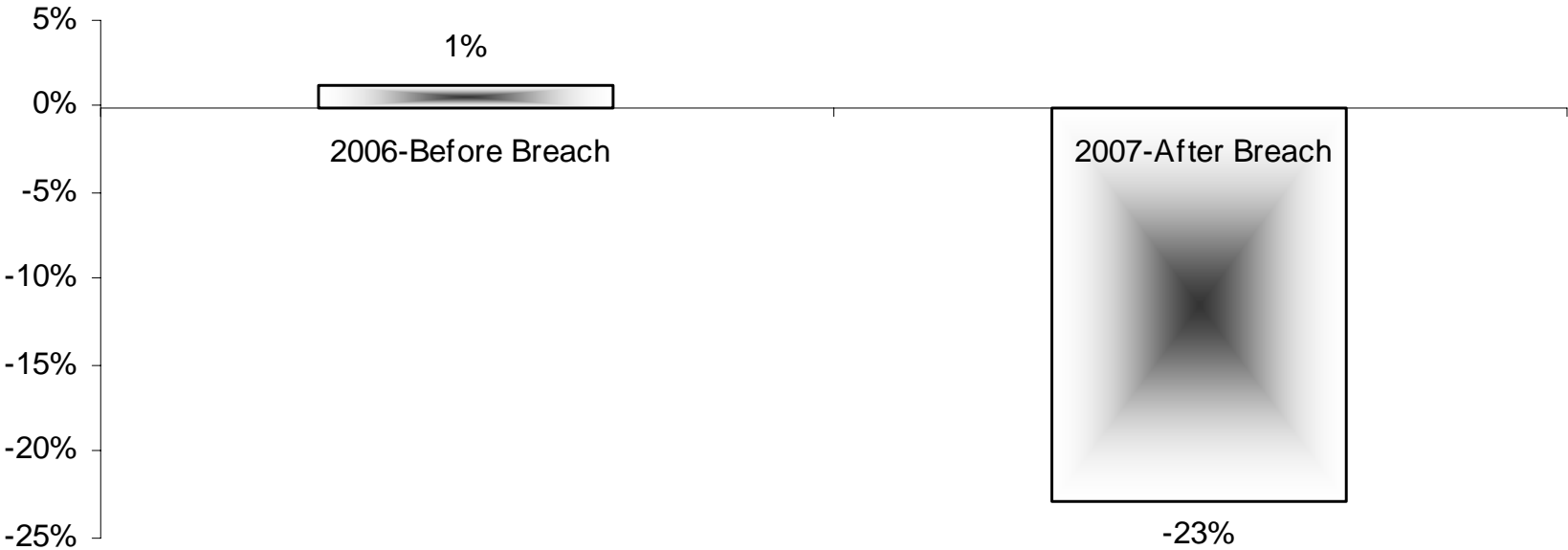


Table 5 What worries you most about privacy?	2005	2006	2007
Identity theft	75.6%	76.6%	74.8%
Stolen assets	32.4%	29.5%	29.9%
Stalking or spying activities	21.3%	21.2%	20.2%
Telemarketing Abuse	36.0%	31.6%	29.8%
Unwanted e-mail activity (spam)	57.7%	51.5%	51.4%
Unwanted junk mail	36.9%	29.8%	26.8%
Loss of civil liberties	47.7%	55.9%	56.0%
Public embarrassment	22.0%	19.6%	19.8%

Top 20 Most Trusted Companies for Privacy

- | | |
|----------------------------------|------------------------|
| 1 American Express | 11 ELoan |
| 2 Charles Schwab | 12 WebMD |
| 3 IBM | 13 Dell |
| 4 AOL | 14 Countrywide |
| 5 Amazon | 15 USAA |
| 6 Johnson & Johnson (all brands) | 15 Disney |
| 7 US Postal Service | 16 Hewlett Packard |
| 8 E-Bay | 17 US Bank |
| 9 Procter & Gamble (all brands) | 18 Bank of America |
| 9 Nationwide | 19 Intuit (all brands) |
| 10 Google | 20 Weight Watchers |

Earning Trust – Evaluating Websites

- Top 20 companies named by consumers
- Privacy practices observed on website
- Secret shopping questions to customer service
- Automated review of select items
- Media review of privacy incidents
- Questions on governance directed to identified privacy contact

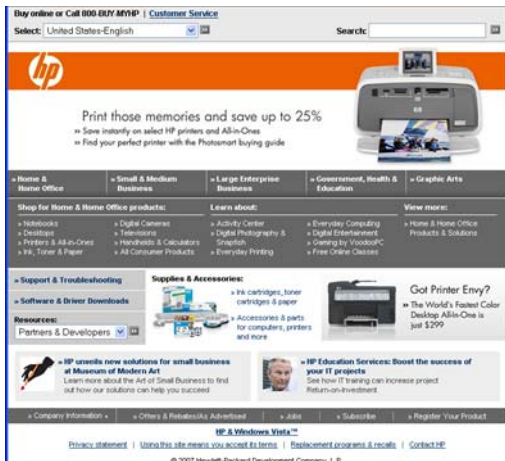
Criteria

- Can consumers easily find notice at the time they need?
- Easy to navigate and read the notice?
- Provide easy access to account information and ability to change it?
- Can you easily delete or deactivate an account?
- What are cookie practices and how are they disclosed?
- Choice for sharing in and out of network?
- Third party seals present with redress mechanism?
- Have the sites had any breaches or public incidents in past 12 months?
- What is governance structure for privacy?
- Security for transactions and sensitive information?

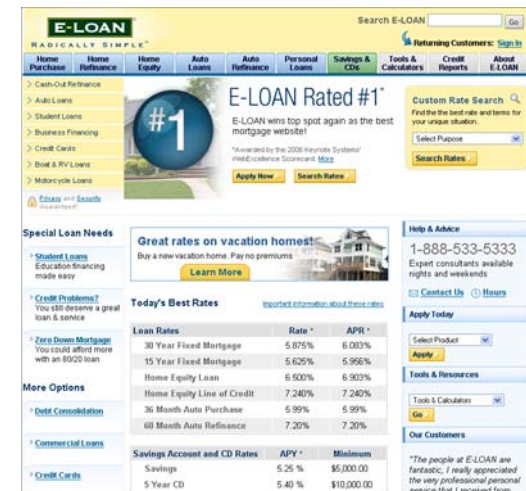
2006 Most Trusted Company Winners

P&G

HP



E-LOAN



2007 Winner

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Questions?

www.truste.org/about/most_trusted_company.php

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